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***The NRLN advocates the rights of more than 2 million American retirees from...***

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April 2, 2015

The Honorable Lamar Alexander, Chairman  
Health, Education, Labor & Pensions Committee  
United States Senate  
455 Dirksen Senate Office Building  
Washington, DC 20510-4206

Dear Mr. Chairman:

Members of the House, the Senate and President Obama have made clear that the U.S. government is finally ready to deal with at least some of the issues adversely affecting Medicare. While action was and continues to remain overdue, it is the view of the National Retiree Legislative Network (NRLN) that the legislation affecting the sustained growth rate (SGR), or the so-called “doc fix” took our country in the wrong direction by putting the government’s hands squarely in the pockets of America’s seniors.

It’s not the first time, of course, since Congress paid for the last two highway bills by putting retirees’ (and future retirees’) pension assets in jeopardy. America’s retirees who have limited, if any, increased earnings potential with higher medical costs clearly understand that there are high costs to Medicare that need to be addressed. In fact, it has been the consistent position of the NRLN that medical costs directly tied to prescription drugs and Medicare fraud could be reduced considerably with smarter executive, legislative and regulatory action to address costs to the federal budget. This requires bold strikes against business-as-usual Washington.

You can be sure that no one will call the government’s raising of already-high costs for health care on a vulnerable population “bold”. It is flat wrong to pay voucher subsidies or to provide any other gifts to would-be Medicare competitors that could be paid for by seniors and indeed all taxpayers – it makes no sense.

If Congress insists on imposing higher premiums on the elderly, it should immediately take affirmative steps to offset the cost with relief in the area of prescription drug costs. There are two approaches to address this that, taken together, would help ease the financial burden.

First, Medicare should adopt a version of the Veterans’ Affairs (VA) model of competitive bidding for prescription drugs. A large-scale program based on the VA model would bring some fairness to drug pricing in the program.

Second, Congress should enact legislation permitting importation of prescription drugs just as some of our states have from neighboring Canada. Americans have long been subsidizing the pharmaceutical industry's market entry overseas by suffering high prices in the U.S. marketplace. Research and development is the cost of doing business in a highly lucrative, profit-yielding field. These companies function as a competitive business world-wide but justify high costs in the U.S. when called to be competitive here by claiming the necessity of supporting research and development on the backs of the ill and the elderly. They can't have it both ways.

Unjustifiable pricing of brand label prescription drugs affecting those with chronic diseases has now extended to generic drugs. You can verify these assertions by simply asking your local pharmacist. The pharmaceutical industry has become a sacred cow. **IT IS INDEED TIME FOR BOLD ACTION!**

The NRLN and America's seniors demand fairness. Members of Congress and the President cannot continue to take from retirees and simultaneously ignore serious action to ease their burden. These proposals have been explored and, indeed, supported by many in Congress in the past and currently. It is time for our government to act on these issues.

It is time to be bold.

Sincerely,

A handwritten signature in black ink that reads "Bill Kadereit". The signature is written in a cursive, slightly slanted style.

President, National Retiree Legislative Network

Copy to:

Members of Senate Health, Education, Labor & Pensions Committee